

**UNITED STATES JCI SENATE FOUNDATION
FINANCIAL STATEMENTS
JUNE 30, 2020**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of United States JCI Senate Foundation,

I have reviewed the accompanying financial statements of United States JCI Senate Foundation (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and changes in net assets, and cash flows for the year then ended and related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Plano, Texas
June 11, 2021

UNITED STATES JCI SENATE FOUNDATION
STATEMENT OF FINANCIAL POSITION
As of June 30, 2020

ASSETS

Current assets		
Cash and cash equivalents	53,117	
Investments at market value	<u>1,442,358</u>	
Total Current Assets	<u>1,495,475</u>	
TOTAL ASSETS		<u><u>1,495,475</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Scholarships payable	-	
Other payables	<u>2,734</u>	
Total current liabilities		2,734
Net assets		
Unrestricted	1,489,141	
Temporary Restricted	<u>3,600</u>	
		<u>1,492,741</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>1,495,475</u></u>

See accompanying notes and accountant's report

UNITED STATES JCI SENATE FOUNDATION
STATEMENT OF ACTIVITIES
For the Year ended June 30, 2020

	TOTAL	UNRESTRICTED NET ASSETS	TEMPORARY RESTRICTED NET ASSETS
CHANGES IN UNRESTRICTED NET ASSETS			
Public support and revenue:			
Fundraising activities	45,714	34,114	11,600
Investment income	51,163	51,163	
Fundraising activities	3,736	3,736	
Other Revenue	-	-	
Total unrestricted public support and revenue	100,612	89,012	11,600
Expenses and losses:			
Program activities	33,440	30,000	3,440
Investment expenses	6,209	6,209	
General and administrative	4,007	4,007	
Total expenses	43,656	40,216	3,440
Increase(Decrease) in Unrestricted Net Assets	56,956	48,796	8,160
Net Assets, Beginning of Year	1,389,448	1,385,848	3,600
Transfer to Unrestricted Assets	-	8,160	(8,160)
Unrealized gains(losses) on investments	46,337	46,337	
Net Assets, End of Year	1,492,741	1,489,141	3,600

See accompanying notes and accountant's report

UNITED STATES JCI SENATE FOUNDATION
STATEMENT OF CASH FLOWS
For the Year ended June 30, 2020

Cash flows from operating activities	
Increase in net assets	56,956
Adjustments to reconcile changes in net assets to net cash provide by operating activites - (Increase) Decrease in :	
Investments	(63,817)
Increase (Decrease) in:	
Scholarship payables	(1,000)
Other Payables	<u>(30,720)</u>
Net cash provided by operating activities	<u>(38,581)</u>
Cash flows from operating activities	
Unrealized gains(losses) on investments	<u>46,337</u>
Net cash provided by investing activities	<u>46,337</u>
Net increase(decrease) in cash	7,756
Cash at the beginning of the year	<u>45,361</u>
Cash at the end of the year	<u><u>53,117</u></u>

See accompanying notes and accountant's report

UNITED STATES JCI SENATE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

The United States JCI Senate Foundation is a non-profit trust organized to provide college scholarships to high school seniors

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expense, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporary Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The organization currently has cash of \$3,600 set aside in temporary restricted assets. The total amount transferred to unrestricted assets in 2020 was \$8,160.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. Generally the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

UNITED STATES JCI SENATE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results could differ from those estimated amounts.

CASH AND EQUIVALENTS

For purposes of the statement of cash flows, cash equivalents are considered to be all highly liquid investments having a maturity at the date of acquisition of 90 days or less.

INCOME TAXES

The organization is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code and is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

REVENUES

Public Support – Revenues from public support dues are recognized as received and classified as unrestricted, temporary restricted or permanently restricted based on the donors wishes.

Investment income – Investment income is recognized when received.

CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and investments. The Foundation places its cash with quality financial institutions. At times, such cash balances may be in excess of the federally insured limits. Historically, the Foundation has not experienced any losses of its cash due to such concentration of credit risk.

INVESTMENTS

The Foundation determines the appropriate classification of its investments in debt and equity securities at the time of purchase and reevaluates such determination at the balance sheet date. Debt securities are classified as held to maturity when the Foundation has the positive intent and ability to hold the securities to maturity. Debt securities for which the Foundation does not have the intent or ability to hold to maturity are classified as available for sale. Held-to-maturity securities are recorded as either short term or long term on the Statement of Financial Position, based on contractual maturity date and are

UNITED STATES JCI SENATE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

stated at amortized costs. Marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings

The fair value of substantially all securities is determined by quoted market prices. The estimated fair value of securities for which there are no quoted market process is based on similar types of securities that are traded in the market.

INVESTMENTS

Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value and explains the related disclosure requirements, ASC 820 indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability and defines fair value based upon an exit price model.

ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritized the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the assets or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3 inputs are unobservable inputs based on the Foundation's assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

UNITED STATES JCI SENATE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 –FAIR VALUE MEASUREMENTS

The organization invests in publicly traded securities with its unrestricted assets: The activity during the year ended June 30, 2020 is summarized below using fair market values.

Value at July 1, 2019	\$1,378,541
Assets acquired	275,000
Interest and dividend income	42,153
Investment fees	(6,209)
Realized gains on securities sales	9,010
Unrealized gains on held securities	<u>(256,137)</u>
Value at June 30, 2020	\$1,442,358 =====

NOTE 3 – SCHOLARSHIPS

The Foundation annually provides academic scholarships to High School seniors through-out the country. The scholarship recipients are selected for the academic achievements, extracurricular activity and work in community.

NOTE 4 – MANAGEMENT REVIEW OF SUBSEQUENT EVENTS

The organization's management has reviewed all other subsequent events through June 11, 2021 and has determined that no event subsequent to the end of the fiscal year as a material effect on the financial statements taken as a whole.